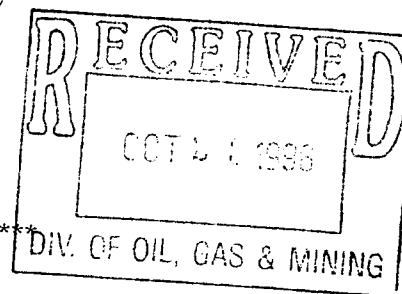


**NationsBank**

*original  
released  
& retrd  
12-16-96*

*m/017/001*



\*\*\*\*\* VIA COURIER SERVICE\*\*\*\*\*

DATE: OCTOBER 24, 1996

TO BENEFICIARY:

AND TO APPLICANT:

UTAH BOARD OF OIL, GAS AND MINING  
AND U.S. DEPT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
STATE CAPITOL BUILDING  
SALT LAKE CITY, UTAH 84114

NUCLEAR FUEL SERVICES, INC.  
ATTN: DWIGHT FERGUSON  
205 BANNER HILL ROAD  
ERWIN, TN 37650

SUBJECT: Letter of Credit No. for the account of:

NUCLEAR FUEL SERVICES, INC.  
ATTN: DWIGHT FERGUSON  
205 BANNER HILL RD.  
ERWIN, TN 37650

ATTENTION: COLLATERAL MANAGER

ISSUING BANK NAME AND ADDRESS AND PLACE OF PRESENTATION TO NOW  
READ AS ABOVE AND BELOW:

NATIONSBANK, N.A.  
INTERNATIONAL L/C DEPARTMENT  
121 W. TRADE STREET, NC1-005-21-01  
CHARLOTTE, NC 28255

IN ACCORDANCE WITH THE TERMS OF THE ABOVE CAPTIONED LETTER OF  
CREDIT, THIS LETTER IS TO INFORM YOU THAT WE ELECT NOT TO RENEW  
SAID CREDIT. THEREFORE, THE CREDIT WILL EXPIRE ON DECEMBER 31,  
1996.

Sincerely,

*Evelyn F. Reid*

**AUTHORIZED SIGNATURE**

NationsBank, N.A.  
Standby Letter of Credit Department

CC: RELATIONSHIP MANAGER



Official Sponsor  
1994/1996

NCNB National Bank of North Carolina  
Charlotte, NC 28255  
Answerback NCNBBank  
Telex Number 669-959  
or 669-965

Important  
Please mention the  
number in all  
correspondence  
Page 1 of 1

IRREVOCABLE DOCUMENTARY LETTER OF CREDIT AMENDMENT

ISSUE DATE 20MAR90

NCNB L/C NUMBER: :

APPLICANT  
NUCLEAR FUEL SERVICES, INC.  
205 BANNER HILL ROAD  
ERWIN, TN 37650  
ATTN: DWIGHT FERGUSON

BENEFICIARY  
UTAH BOARD OF OIL, GAS AND MINING  
AND U.S. DEPT. OF THE INTERIOR,  
BUREAU OF LAND MANAGEMENT  
STATE CAPITOL BUILDING  
SALT LAKE CITY, UTAH 84114

The above credit is amended as follows:

BENEFICIARY'S NAME, WHERE IT APPEARS IN THE CREDIT  
IS CORRECTED TO READ:

UTAH BOARD OF OIL, GAS AND MINING  
AND U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
STATE CAPITOL BUILDING  
SALT LAKE CITY, UTAH 84114

PARAGRAPH READING "THIS LETTER OF CREDIT SUPERCEDES  
AND REPLACES ETC.." IS HEREBY DELETED IN ITS ENTIRETY.

AMENDMENT NUMBER 01  
ADVISING BANK REF. NO. N/A

All other terms and conditions of the credit remain unchanged.  
This Advice of Amendment is to be considered a part of the  
original credit and must be attached thereto.

**AMENDMENT**

m/017/001

LAW OFFICES  
PRUITT, GUSHEE & FLETCHER  
SUITE 1850 BENEFICIAL LIFE TOWER  
SALT LAKE CITY, UTAH 84111  
(801) 531-8446

ROBERT G. PRUITT, JR.  
OLIVER W. GUSHEE, JR.  
F. ALAN FLETCHER  
THOMAS W. BACHTTELL  
A. JOHN DAVIS, III  
FREDERICK M. MACDONALD  
STEVEN PAUL ROWE

DOGM  
MINERALS PROGRAM  
FILE COPY

TELECOPIER (801) 531-8468

OF COUNSEL  
BRENT A. BOHMAN

March 23, 1990

RECEIVED  
MAR 26 1990

DIVISION OF  
OIL, GAS & MINING

Mr. Holland Shepherd  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Nuclear Fuel Services, Inc./  
Reclamation Surety

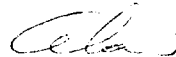
Dear Holland:

Enclosed is an amendatory Letter of Credit issued by the NCNB National Bank of North Carolina as of March 20, 1990. This amendment corrects the designation of beneficiary in the letter issued March 7, 1990 (and delivered to you March 8, 1990 in exchange for the Certificate of Deposit) previously deposited by Nuclear Fuel Services, Inc. ("NFS") as its reclamation surety. With this amendment, the Utah Board of Oil, Gas & Mining and the United States Department of the Interior, Bureau of Land Management, are designated as dual beneficiaries of the Letter of Credit.

I believe that NFS has now posted reclamation surety as contemplated by the Board at its January 25, 1990 meeting. Accordingly, it would be appropriate for you to have the Reclamation Contract, the executed duplicate originals of which were delivered prior to the meeting, executed by the Division Director, Dianne Nielson. When that has occurred, please send a fully executed duplicate original to me.

If there is anything further that must be done, please do not hesitate to call.

Yours truly,



F. Alan Fletcher

FAF:jh  
1235.01  
cc: Paul F. Schut  
Dwight Ferguson

NCNB National Bank of North Carolina  
Charlotte, NC 28255  
Answerback NCNBBank  
Telex Number 669-959  
or 669-965

Important  
Please mention this  
number in all correspondence  
Page 1 of 1

ISSUE DATE 07MAR90  
L/C NUMBER

APPLICANT  
NUCLEAR FUEL SERVICES, INC.  
205 BANNER HILL ROAD  
ERWIN, TN 37650  
ATTN: DWIGHT FERGUSON

BENEFICIARY  
UTAH BOARD OF OIL, GAS AND MINING  
AND U.S. INTERIOR OFFICE OF SURFACE  
MINING  
STATE CAPITOL BUILDING  
SALT LAKE CITY, UTAH 84114

EXPIRY DATE / PLACE  
31DEC90 CHARLOTTE, NC

CURRENCY AMOUNT  
USD \*\*\*\*\*148,000.00

WE HEREBY AUTHORIZE YOU JOINTLY TO DRAW ON NCNB NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, NC BY ORDER AND FOR THE ACCOUNT OF NUCLEAR FUEL SERVICES, INC. UP TO AN AGGREGATE AMOUNT OF US\$148,000.00 (ONE HUNDRED FORTY EIGHT THOUSAND AND 00/100 UNITED STATES DOLLARS) WHICH IS AVAILABLE FOR PAYMENT AT OUR COUNTERS AGAINST YOUR DRAFT AT SIGHT DRAWN JOINTLY BY BOTH THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING AND U.S. INTERIOR OFFICE OF SURFACE MINING AND ACCOMPANIED BY A STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNATURE OF BOTH THE STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND U.S. INTERIOR OFFICE OF SURFACE MINING READING AS FOLLOWS:

WE CERTIFY THAT THE DRAWING IS DUE TO A DETERMINATION MADE UNDER AND PURSUANT TO THE PROVISIONS OF SECTION 40-8-14(7), UTAH CODE ANNOTATED (1953, AS AMENDED), THAT NUCLEAR FUEL SERVICES, INC. HAS FAILED TO CARRY OUT ITS LAND RECLAMATION RESPONSIBILITIES AS DESCRIBED IN MINING AND RECLAMATION PLAN NO. ACT/017/001.

PARTIAL DRAWINGS ARE PERMITTED.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED FOR ADDITIONAL PERIODS OF UP TO ONE (1) YEAR FROM THE THEN RELEVANT EXPIRY DATE, BUT IN NO EVENT BEYOND JANUARY 31, 1995, UNLESS NOT LESS THAN SIXTY (60) DAYS PRIOR TO THAT RELEVANT EXPIRY DATE, WE, NCNB NATIONAL BANK OF NORTH CAROLINA, NOTIFY YOU JOINTLY AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT.

DRAFTS DRAWN HEREUNDER MUST BEAR THE CLAUSE: "DRAWN UNDER NCNB NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, NC CREDIT NO. 36781 DATED MARCH 7, 1990".

WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT THAT SAME WILL BE DULY HONORED.

NCNB NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, NC AGREES TO INFORM YOU JOINTLY OF ANY EVENT WHICH WOULD JEOPARDIZE THE VALIDITY OF THEIR LETTER OF CREDIT, INCLUDING THE BANK'S ABILITY TO PAY PURSUANT TO THE TERMS HEREOF OR THE EXPIRATION OF THEIR LETTER OF CREDIT BY AGREEMENT BETWEEN NUCLEAR FUEL SERVICES, INC. AND THAT WE, NCNB NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, NC, SEND OUR NOTIFICATION TO YOU JOINTLY AT THE ABOVE-LISTED ADDRESS BY REGISTERED MAIL (RETURN RECEIPT REQUESTED) DATED NOT LESS THAN SIXTY (60) DAYS PRIOR TO EXPIRATION.

THIS LETTER OF CREDIT SUPERSEDES AND REPLACES OUR LETTER OF CREDIT DATED 24JAN90 WHICH IS NOW CANCELLED.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

Documents to be forwarded to NCNB National Bank of North Carolina  
One NCNB Plaza, International Dept. J21-31 Charlotte, NC 28255  
in one mail.  
ISSUED BY MAIL

This is the operative instrument. It is noted on  
This is IRREVOCABLE Letter of Credit number 36781 issued on 07MAR90  
by NCNB National Bank of North Carolina, Charlotte, NC 28255.